

Message Text

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SUBJECT: LEVESQUE ATTACKS SUN LIFE DECISION TO MOVE

1. THE SUN LIFE ASSURANCE CO., WHOSE DECISION TO MOVE ITS HEAD OFFICE FROM MONTREAL TO TORONTO HAS DOMINATED THE NEWS HERE FOR THE PAST WEEK, CAME UNDER VERY HARSH ATTACK FROM PRIME MINISTER LEVESQUE YESTERDAY. SPEAKING AT HIS REGULAR THURSDAY PRESS CONFERENCE, LEVESQUE TERMED THE SUN LIFE DECISION AN "ESSENTIALLY POLITICAL" MOVE WHICH HAD NOTHING TO DO WITH THE PROVINCE'S NEW LANGUAGE LAW, BUT WAS AIMED AT "BLACKMAILING" THE PEOPLE OF QUEBEC AND "DESTABILIZING" THEIR GOVERNMENT. THE GOQ WOULD NEVER "GO DOWN ON ITS KNEES" TO SUN LIFE, LEVESQUE ADDED, TO BEG THE COMPANY TO STAY. HE HINTED, HOWEVER, THAT THE GOVERNMENT HAD THE OPTION OF WITHDRAWING ITS PERMIT FOR SUN LIFE TO OPERATE IN THE PROVINCE.

2. LEVESQUE, CLEARLY FURIOUS, WENT TO SOME LENGTHS TO DEBUNK SUN LIFE'S ASSERTION THAT IT COULD NOT LIVE WITH THE RESTRICTIONS OF BILL 101. THE RULES REGARDING FRANCISATION
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OF CORPORATE HEAD OFFICES HAVE NOT YET BEEN PUBLISHED, HE SAID, AND THERE IS A PROVISION IN THE LAW FOR NEGOTIATION OF SPECIAL AGREEMENTS WITH THE OFFICE DE LA LANGUE FRANCAISE ON A CASE-BY-CASE BASIS. THE LANGUAGE LAW, LEVESQUE AFFIRMED, IS "MUCH MORE FLEXIBLE THAN CERTAIN PARTIES WOULD LEAD US TO BELIEVE."

3. ECHOING FINANCE MINISTER PARIZEAU'S EARLIER TOUGH LINE, LEVESQUE CRITICIZED SUN LIFE'S RECORD ON HIRING OF FRANCO-PHONES , SAYING THAT THE COMPANY WAS FOUR-FIFTHS ENGLISH AND HAD NOT HIRED A SINGLE FRANCOPHONE GRADUATE FROM QUEBEC'S BUSINESS SCHOOLS IN RECENT YEARS. A COMPANY LIKE SUN LIFE HAS "A STRICT OBLIGATION" TO INVEST MONEY TO THE MAXIMUM EXTENT POSSIBLE IN THE AREA FROM WHICH THE MONEY IS COLLECTED, AND SUN LIFE HAS A SORRY RECORD IN THIS REGARD, LEVESQUE SAID. HE TERMED "COWARDLY" THE COMPANY'S DECISION TO HOLD ITS STOCK-HOLDER'S MEETING ON THE ISSUE IN TORONTO RATHER THAN MONTREAL. NO MODERN PEOPLE WITH ANY BACKBONE CAN TOLERATE SUCH A SITUATION, HE CONTINUED. HE DECLINED TO ELABORATE ON PARIZEAU'S THREAT TO LEGISLATE "REPATRIATION" OF THE FUNDS SUN LIFE HAD ALLEGEDLY SIPHONED OUT OF QUEBEC UNTIL AFTER THE STOCK-HOLDER'S MEETING JANUARY 27. HE DID SAY, HOWEVER, THAT ONE POSSIBLE COURSE OF ACTION PERMITTED UNDER THE LAW WOULD BE TO REVOKE THE COMPANY'S PERMIT TO OPERATE IN QUEBEC.

4. COMMENT: LEVESQUE'S EXCEPTIONALLY HARD LANGUAGE WAS, IF ANYTHING, EVEN TOUGHER THAN PARIZEAU'S. HE HAD APPARENTLY DECIDED THAT A SEVERE LINE IS POLITICALLY NECESSARY AND, ALTHOUGH HE STOPPED SHORT OF ANNOUNCING SPECIFIC RETALIATORY MEASURES AGAINST SUN LIFE, HE CAME CLOSE TO BURNING HIS BRIDGES BEHIND HIM. HIS ATTITUDE IS CERTAIN TO EXACERBATE TENSIONS EVEN FURTHER IN THE BUSINESS COMMUNITY; WE WILL HAVE TO SEE WHETHER IT CAN PAY OFF POLITICALLY IN THE REST

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OF THE PROVINCE. AT THE MOMENT WE ARE SEEING A STRONG NATIONALISTIC REFLEX OF SUPPORT FOR THE GOQ IN THE FACE OF WHAT IS WIDELY PERCEIVED HERE AS A HIGH-HANDED AND ARROGANT ACT ON THE PART OF SUN LIFE. WHETHER THIS SUPPORT CAN BE MAINTAINED IN THE FACE OF STEADILY DETERIORATING ECONOMIC CONDITIONS IS DIFFICULT TO JUDGE AT THIS POINT. BOSWELL

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